



# ACA State Innovation Waiver Task Force

OCTOBER 9, 2014

9:00 A.M.

STATE CAPITOL, ROOM 325

# Pre-meeting notes

- ▶ Public invited to speak on every agenda item.
- ▶ May sign up to speak but not required.

# Call to Order/Roll Call

## Call to Order

## Roll Call

- ▶ Beth Giesting, Healthcare Trans. Coord.
- ▶ Keone Kali, State CIO
- ▶ [Lorrin Kim](#), Dept. of Health
- ▶ [Ed Wang](#), Dept. of Labor & Ind. Relations
- ▶ Kenny Fink, MedQUEST
- ▶ Gordon Ito, Insurance Commissioner
- ▶ Daniel Jacob, Office of the AG
- ▶ Sandra Yahiro, EUTF
- ▶ Tom Matsuda, Hawaii Health Connector
- ▶ Christine Sakuda, HI Health Info. Exch.
- ▶ Sherry Menor-McNamara, Chamber of Commerce of Hawaii
- ▶ [Rachael Wong](#), Healthcare Assoc. of HI
- ▶ Robert Hirokawa, HPCA
- ▶ Joan Danieleley, Kaiser Permanente
- ▶ Jennifer Diesman, HMSA
- ▶ Paula Yoshioka, Queen's Health System
- ▶ Roger Morey, Hawaii Restaurant Assoc.

# Minutes and Reports

- ▶ **Minutes of September 11, 2014**

- ▶ **Public Comment**

(proposed motion: Accept minutes of 9/11/14 as circulated/as amended)

- ▶ **Report from Permitted Interaction Group – Hawaii Health Connector**

- ▶ **Public Comment**

# ACA-Related Activities in Hawaii

- ▶ State health care innovation planning
- ▶ Insurance changes
  - ▶ Premium rating
  - ▶ Coverage up to age 26
  - ▶ No annual or lifetime maximums, no charge for prevention
  - ▶ Individual mandate
- ▶ Medicaid expansion
- ▶ Hawaii Health Connector
- ▶ Other – lots of change across the health care system
- ▶ **Public Comment**

# Insurance Marketplaces

- ▶ State-based, federally-facilitated, and other models
- ▶ Status of Hawaii Health Connector
- ▶ **Public Comment**



# Health Insurance Marketplace Models

STATE BASED

FEDERALLY FACILITATED

OTHER MARKETPLACE MODELS

# Health Insurance Marketplace Models

- ▶ The ACA establishes Insurances Exchanges to provide individuals and small business employees with access to health insurance
  - ▶ Facilitates the purchase of Qualified Health Plans by qualified individuals
  - ▶ Provides for the establishment of a Small Business Health Options Program (SHOP)
- ▶ The ACA provides states with significant flexibility in the design and operation of their Exchanges to best meet the unique needs of their citizens and marketplace.



# Health Insurance Marketplace Models

- ▶ **Original ACA Marketplace Model Options**
  - ▶ State Based Exchange, or
  - ▶ Federally Facilitates Exchange
- ▶ Since ACA was enacted, the HHS has created multiple marketplace models with a variety of design alternatives and greater flexibility within each model for state responsibility on functions.

# Health Insurance Marketplace Models

State-based Marketplace	State-based SHOP Marketplace	State Partnership Marketplace	Federally-facilitated Marketplace
<p>State operates all Marketplace activities; however, state may use Federal government services for the following activities:</p> <p>Risk adjustment program</p>	<p>State operates all activities in the SHOP Marketplace and allows HHS to operate all individual Marketplace activities</p> <p>State may elect to perform or can use Federal government services for the following activities:</p> <p>Medicaid and Children's Health Insurance Program (CHIP) eligibility: assessment or determination*</p>	<p>State operates consumer assistance activities</p> <p>State may elect to perform or can use Federal government services for the following activities:</p> <p>Medicaid and CHIP eligibility: assessment or determination*</p>	<p>HHS operates; however, state may elect to perform or can use Federal government services for the following activities:</p> <p>Medicaid and CHIP eligibility: assessment or determination*</p> <p>Some states are assisting with certain plan management functions on an ad hoc basis</p>
Complete State-based Marketplace Blueprint	Complete SHOP Marketplace Blueprint	Complete State Partnership Marketplace Blueprint	Completion of Blueprint Not Required

\* Coordinate with Center for Medicaid and CHIP Services (CMCS) on Decisions and Protocols

# Health Insurance Marketplace Models

## EXHIBIT 2

### Overview of Exchange Models, June 2013

Exchange model	Exchange activity	Number of states	States
State-based exchange	State operates all core exchange functions; may use federal services for certain exchange functions	14 states and Washington, DC	CA, CO, CT, DC, HI, KY, MD, MA, MN, NV, NY, OR, RI, VT, WA
Supported state-based exchange	State operates most core exchange functions; uses federal information technology infrastructure	2 states	ID, NM
Federally facilitated exchange	Federal government operates all core exchange functions	19 states	AL, AK, AZ, FL, GA, IN, LA, MS, MO, NJ, NC, ND, OK, PA, SC, TN, TX, WI, WY
Variant 1: state partnership exchange	State conducts plan management and/or consumer assistance, outreach, and education functions on behalf of federal government; federal government operates remaining core exchange functions	7 states	AR, DE, IL, IA, MI, NH, WV
Variant 2: marketplace plan management	State conducts plan management on behalf of federal government; federal government operates remaining core exchange functions	7 states	KS, ME, MT, NE, OH, SD, VA
Bifurcated exchange	State operates all core exchange functions for small-business exchanges and conducts plan management on behalf of federal government for individual exchange; federal government operates remaining core exchange functions for individual exchange	1 state	UT

SOURCE: Authors' analysis.

# Health Insurance Marketplace Models

- ▶ **Different Exchange Models – Impact to States**
  - ▶ **Level of Flexibility Provided in Designing the Exchange**
  - ▶ **Level of Coordination with Other State Agencies and Federal Government**
  - ▶ **State Regulatory Flexibility**
    - ▶ **Insurance Markets**
    - ▶ **Consumer Outreach and Enrollment**

# Insurance Marketplaces

- ▶ State-based, federally-facilitated, and other models
- ▶ Status of Hawaii Health Connector
- ▶ **Public Comment**

# Review: Waiver Considerations

- ▶ **What must be offered?**
  - ▶ Must cover at least as many people with coverage at least as good and affordable at no greater cost to the federal government.
- ▶ **What can be waived?**
  - ▶ Insurance exchanges
  - ▶ Essential health benefits and qualified health plans
  - ▶ Advance premium tax credits and cost-sharing
  - ▶ Individual and employer responsibility requirements
- ▶ **ACA, Medicare, Medicaid, CHIP waivers should coordinate**

# Waiver Considerations for Hawaii

## ► Approach

- Support improvement of health care system (delivery, payment, wellness), not just coverage
- Address Act 158, which takes a broader view
- Must be best solution for Hawaii

# Common Ground

## Baseline agreements?

- ▶ Our goal is universal coverage and access
- ▶ Preserving Prepaid is essential to the goal of universal coverage
- ▶ Our vision is “To ensure Hawaii residents have access to high quality care and insurance coverage in a seamless and economically sustainable healthcare system.”
- ▶ Other?



# Common Ground

- ▶ **Baseline agreements?**

- ▶ Discussion

- ▶ **Public Comment**

(proposed motion: Adopt the goal of universal coverage and access)

(proposed motion: Adopt the goal of preserving the Hawaii Prepaid Health Care Act)

(proposed motion: Adopt the vision..../amended vision – **Postponed for future meeting**)

# Brainstorming Innovation for Hawaii

- ▶ This session is **NOT** about reducing or choosing from among options
- ▶ This session **IS** to try to identify all the issues, options, and questions that should be considered in developing a waiver

# Brainstorming Innovation for Hawaii

- ▶ **Insurance marketplace questions**
  - ▶ Do any of the ACA marketplace options meet our needs (state-based, federally-facilitated, partnership)? Any parts if not the whole?
  - ▶ What functions in the ACA do we want that promote
    - ▶ Transparency?
    - ▶ Competition?
    - ▶ Employee choice?
    - ▶ Employer ease of use?

# Brainstorming Innovation for Hawaii

- ▶ **Insurance marketplace questions**
  - ▶ What are the costs associated with developing/maintaining these?
  - ▶ Does the cost/benefit ratio support adopting and paying for these?
  - ▶ If yes, how should we pay for them?

# Brainstorming Innovation for Hawaii

- ▶ **Insurance marketplace questions**
  - ▶ Should all employers/employees use the Connector to purchase coverage?
  - ▶ Should all small businesses/employees use the SHOP?
  - ▶ Should unions, EUTF, other business agents use the Connector to purchase coverage?
  - ▶ Should all insurers participate on Connector?
  - ▶ What other insurance marketplace questions should be asked?

# Brainstorming Innovation for Hawaii

- ▶ **Individual insurance marketplace questions**
  - ▶ How do we effectively/efficiently get individuals into the correct program (i.e., MedQUEST or subsidized individual coverage)?
  - ▶ What functions are needed to support premium assistance?
  - ▶ What functions are needed to support plan shop & compare?
  - ▶ What functions are needed to support enrollment?

# Brainstorming Innovation for Hawaii

- ▶ **Individual insurance marketplace questions**
  - ▶ Where/how are those functions most economically maintained?
  - ▶ How can we support more insurer participation and competition?
  - ▶ Are there better strategies than APTC to make coverage affordable?
  - ▶ What other individual insurance marketplace questions should be asked?

# Brainstorming Innovation for Hawaii

- ▶ **Gap group/churn questions**
  - ▶ Should we consider employer contributions for part-time employees?
  - ▶ Is the Basic Health Plan worth another look?
    - ▶ If considering the BHP where would the FPL cut-off be?
    - ▶ Is a Hawaii-specific version of the BHP more attractive?
    - ▶ How would people qualify? Be enrolled?



# Brainstorming Innovation for Hawaii

## ▶ Gap group/churn questions

- ▶ What's the role of Medicaid in these solutions? \*
- ▶ Are there better options, including supporting community health centers and other safety-net providers to ensure care if not coverage?
- ▶ Should catastrophic insurance be an option for any consumer?
- ▶ What other gap group questions should be asked?

# Brainstorming Innovation for Hawaii

## ▶ Other insurance questions

- ▶ What premium rating factors are best for Hawaii? \*
- ▶ What is the on-going role for agents, brokers, and marketplace assistors? \*
  - ▶ How should they be paid?

# Brainstorming Innovation for Hawaii

- ▶ **Other insurance questions**
  - ▶ **Should there be an Essential Health Benefits package?**
    - ▶ If yes, what should be included for children?
    - ▶ If yes, what should be included for adults?
    - ▶ What are cost implications for State? For insurance premiums?
  - ▶ **What other insurance questions should be asked?**

# Brainstorming Innovation for Hawaii

- ▶ **Other questions asked in Act 158\***
  - ▶ **What opportunities are available for state agencies to collaborate on IT to advance the goals of the ACA and state innovation?**
  - ▶ **What recommendations do we have for allocating existing funds for health reform and innovation? Proposed legislation?**

# Brainstorming Innovation for Hawaii

- ▶ **Additional questions and comments**
- ▶ **Public Comment**

# Recommendations/next steps

- ▶ **Proposed areas of immediate focus**
  - ▶ Premium rating options
  - ▶ Opportunities available for state agencies to collaborate on IT
  - ▶ Recommendations on resource allocation for health reform and innovation
  - ▶ Identification of resources needed to develop Innovation Waiver
  - ▶ **Define metrics that will inform the waiver development process (added during meeting)**
- ▶ **Discussion**
- ▶ **Public Comment**

# Recommendations/next steps

## ► **Premium rating options**

(proposed motion: Create a permitted interaction group to explore options related to premium rating and report back with recommendations to the task force at the next meeting. Members of the PIG are Gordon Ito, Sherry Menor-McNamara, Roger Morey, Ed Wang, Sandi Yahiro, Jennifer Diesman, Joan Danieley, Daniel Jacob, Beth Giesting)

## ► **Opportunities available for state agencies to collaborate on IT**

(proposed motion: Create a permitted interaction group to explore opportunities available to state agencies for collaboration on IT that advances the purposes of the ACA and innovation. The PIG will report back with recommendations to the task force at the next meeting. Members of the PIG are Keone Kali, Hawaii Health Connector, Kenny Fink, Gordon Ito, Christine Sakuda, Sandi Yahiro, Daniel Jacob, Beth Giesting)

# Recommendations/next steps

## ► **Recommendations on resource allocation for health reform and innovation**

(proposed motion: Create a permitted interaction group to explore resource needs, availability, and allocation for health reform and innovation. The PIG will report back with recommendations to the task force at the next meeting.

Members of the PIG are Rachael Wong, Paula Yoshioka, Robert Hirokawa, Lorrin Kim, Hawaii Health Connector, Jennifer Diesman, Joan Danieleley, Daniel Jacob, Beth Giesting)

## ► **Identification of resources needed to develop Innovation Waiver**

(proposed motion: Create a permitted interaction group to identify resources needed to develop an effective innovation waiver for Hawaii. The PIG will report back with recommendations to the task force at the next meeting. Members of

the PIG are Kenny Fink, Gordon Ito, Lorrin Kim, Hawaii Health Connector, Joan Danieleley, Jennifer Diesman, Daniel Jacob, Beth Giesting)



# Recommendations/next steps

## ► **Define metrics that will inform the waiver development process**

(motion: Create a permitted interaction group to Define metrics that will inform the waiver development process for Hawaii. The PIG will report back with recommendations to the task force at the next meeting. Members of the PIG are Keone Kali, Kenny Fink, Lorrin Kim, Hawaii Health Connector, Robert Hirokawa, Christine Sakuda, Jennifer Diesman, Joan Danieleley, Daniel Jacob, Beth Giesting)

# Report to the Legislature

- ▶ **Proposed contents of report**
  - ▶ Membership
  - ▶ Summary of meetings (agendas, minutes, materials, other)
  - ▶ Agreements on basic assumptions
  - ▶ Collaborative IT recommendations (if any)
  - ▶ Premium rating recommendations (if any)
  - ▶ Allocation of resources for innovation recommendations (if any)
  - ▶ Metrics necessary to develop/gauge success of waiver (if any)
  - ▶ Resource requirements for waiver development
- ▶ Reminder: Logistical issues with transition in Governor's Office

# Report to the Legislature

- ▶ **Discussion**
- ▶ **Public comment**
- ▶ (proposed motion: Chair will address the following items..... in the report to the legislature and that the draft in progress be shared with the TF at the next meeting.)

# Other Permitted Interaction Groups

- ▶ (proposed motion: that the ACA SIWTF endorse that the following members

**Beth Giesting**

**Keone Kali**

**Ed Wang**

**Kenny Fink**

**Connector representative**

**Christine Sakuda**

**Sherry Menor-McNamara**

..... be part of a permitted interaction group for the purpose of attending Hawaii Health Connector board meetings until further notice, and that .... shall report back to the TF on relevant HHC actions at each subsequent meeting on behalf of the PIG.)

# Adjournment

(proposed motion: The ACA SIWTF shall be adjourned until its next scheduled meeting.)

**Next meeting: 9:00 a.m. November 13, 2014**